

VIRGINIA DEPARTMENT OF MINES, MINERALS & ENERGY
VIRGINIA GAS AND OIL BOARD
December 9, 2008

Minutes and results of hearings, December 9, 2008

Pursuant to Section 45.1-361.9 B and 45.1-361.22 B of the Code of Virginia, the Virginia Gas and Oil Board conducted hearings that commenced at 9 a.m. on Tuesday, December 9, 2008 at the Southwest Virginia Higher Education Center (on the campus of Virginia Highlands Community College), Abingdon, Virginia.

Board members present were: Mr. Bradley (Butch) Lambert (Acting Chairman), Mrs. Peggy Barber, Mrs. Nellie K. Dye, Mr. Bruce Prather, Mrs. Mary Quillen, and Mr. Donnie Ratliff.

Also present were Ms. Sharon Pigeon, Assistant Attorney General; Mr. David E. Asbury Jr., Principle Executive to the Staff of the Board; Mrs. Diane J Davis and Mr. Gary Eide, Division of Gas and Oil.

1. A petition from CNX Gas Company, LLC to re-**pool coalbed methane unit J-36**, Garden District, Buchanan County, Virginia. Docket Number VGOB-08-0318-2159-01. **This petition was continued from the October VGOB hearings.**

The petition seeks a Repooling all the interests and estates of in the Oakwood Coalbed Methane Gas Field 1 of CBM J36 permit #8778 and CBM J36B Permit #9521. The applicant seeks to pool Donald Honaker, Caroline Cole Heirs, Devisees, Successors or Assigns including Byrd W. McDonald, Gretta Meek, Thurman G. Cooper, and Edith G. Street; Appalachian Energy Inc, and Ethel Jewell Heirs, Devisees, Successors or Assigns Hand outs by Buck Jewell Exhibits 1-7 were dispersed at the hearing. **The petition was approved by the Board.**

2. A petition from Equitable Production Company for **pooling of 320 acre unit** served by well **VH-539923**, Gladeville District, Wise County, Virginia. Docket Number VGOB-08-0715-2275. **The petition was continued from the October VGOB hearings.** In the **VH-539923 (BI-11), 320 acre unit**, the applicant controls 97.63% of the gas interests. The applicant seeks to pool the remaining 2.37% of the gas interests. Unleased gas acreage subject to pooling totals 8.4 +/- net acres in seven tracts having eight unleased parties. There are no unknown claimants subject to escrow indicated. Upon request, this petition was continued to the December 2008 docket. **The petition was withdrawn by the applicant.**
3. Resources-Pine Mountain Inc. for a **well location exception** for proposed well V-530011, Ervinton District, and Dickenson County, Virginia. Docket Number VGOB-08-1118-2385. **The petition was continued from the November VGOB hearings.**

In this petition, the applicant seeks a **location exception** for drilling well **V-530011**. The location of EPC proposed Well No. P-69 lies **2155** feet North-West of proposed well V-530011; and EPC **Well No. P-207** lies **2521** feet North-East of proposed well V-530011; and EPC **Well No. P-72** lies **1637** feet South-East of proposed well V-530011; and EPC Well No. **P-70** lies **2480** feet South-West of proposed well V-530011. The exception is required

because of the state wide spacing rule of 2,500 feet in § 45.1-361.17(A)(2). Applicant submitted additional exhibit AA hearing. **The petition was approved by the Board.**

4. A petition from Range Resources-Pine Mountain Inc. for a **well location exception** for proposed well **V-530013**, Sandlick District, and Dickenson County, Virginia. Docket Number VGOB-08-1118-2386. **The petition was continued from the November VGOB hearings.**

In this petition, the applicant seeks a **location exception** for drilling well **V-530011**. The location of EPC proposed Well No. **750041** lies **2080** feet South West of proposed well V-530013; and Range Resources-Pine Mountain Inc. Well No. **V-535462** lies **1983** feet North-West of proposed well V-530013; and EPC Well No. **750088** lies **1800** feet North-East of proposed well V-530013. The exception is required because of the state wide spacing rule of 2,500 feet in § 45.1-361.17(A)(2). Exhibit AA distributed at the hearing by the applicant. **The petition was approved by the Board.**

5. A petition from Range Resources-Pine Mountain Inc. for **establishment of a drilling unit and pooling of conventional gas unit V-530013**, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-08-1118-2387. **The petition was continued from the November VGOB hearings.**

The applicant is seeking to establish a **112.69-acre** circular drilling **Unit V-530013** for a conventional gas wells. The pooling portion of this request indicates the applicant controls 98.21 percent of the gas estates in the unit and seeks to pool the remaining 1.79 percent or 2.02 acres of the gas interests. Revised exhibits B and B3 distributed to the board by the applicant. No escrowing required. **The petition was approved by the Board.**

6. A petition from Range Resources-Pine Mountain Inc for a **well location exception** for proposed well **V-530016**, Kenady District, and Dickenson County, Virginia. Docket Number VGOB-08-1118-2388. **The petition was continued from the November VGOB hearings.**

In this petition, the applicant seeks a **location exception** for drilling well **V-530016** in this 112.69 acre unit. The location of EPC proposed Well No. **P-391** lies **1687** feet North West of proposed well V-530016; and EPC Well No. **P-550450** lies **2188** feet North-East of proposed well V-530016; and EPC Well No. **P-153** lies **2414** feet South-East of proposed well V-530016; and EPC Well No. **P-435** lies **2448** feet South East of proposed well V-530016. The exception is required because of the state wide spacing rule of 2,500 feet in § 45.1-361.17(A)(2). Exhibit AA distributed by the applicant. **The petition was approved by the Board.**

7. A petition from Range Resources-Pine Mountain Inc. for a **well location exception** for proposed well **V-535462**, Sandlick District, and Dickenson County, Virginia. Docket Number VGOB-08-1118-2389. The petition was continued from the November VGOB hearings.

In this petition, the applicant seeks a **location exception** for drilling well **V-535462** in the 112.69 acre unit. The location of EPC proposed Well No. **P-202** lies **2020** feet North West of proposed well V-535462. The exception is required because of the state wide spacing rule

of 2,500 feet in § 45.1-361.17(A)(2). Exhibit AA distributed by the applicant. **The petition was approved by the Board.**

8. A petition from Range Resources-Pine Mountain Inc. for **pooling of conventional gas unit V-535462**, Sandlick District, and Dickenson County, Virginia. Docket Number 08-1118-2390. The petition was continued from November.

In Unit V-535462 a 112.69 acre conventional gas unit, (the Harrison Tract) the applicant controls 90.27% of the gas estate. The applicant seeks to pool the remaining 9.73% of the gas interests. Unleased acreage subject to pooling totals 10.96 net gas acres + / - . The petition indicates an escrow account is not required. Revised Exhibits B and B3 submitted. **The petition was approved by the Board.**

9. A petition from Equitable Production Company for **pooling of coalbed methane unit VC-537891**, Hurricane District, and Buchanan County, Virginia. Docket Number VGOB-08-1209-2393.

In the Nora Field Unit VC-537891 (AZ 79), 58.77 acres, the applicant controls 100% of the coal estate and 85.24% of the gas interests. The applicant seeks to pool the remaining 14.76% of the gas interests. Unleased gas acreage subject to pooling totals 8.67 net acres + / - . The petition includes provisions for the establishment of an escrow account for conflicting claims in tracts 2, 3, and 4. **The Petition was continued to January.**

10. A petition from Equitable Production Company for **pooling of coalbed methane unit VCI-539486**, Prater District, and Buchanan County, Virginia. Docket Number VGOB-08-1209-2394.

In the Nora Field Unit VCI-539486 (AM 78), 58.77 acres, the applicant controls 100% of the coal estate and 0.0% of the gas interests (Yellow Poplar Lumber Co, an unknown). The applicant seeks to pool 100% of the gas interests. Unleased gas acreage subject to pooling totals 58.77 net acres + / -. The petition includes provisions for the establishment of an escrow account for conflicting claims in tract 1. **The petition was approved by the Board.**

11. A petition from Equitable Production Company for **pooling of coalbed methane unit VCI-539482**, Prater District, and Buchanan County, Virginia. Docket Number VGOB-08-1209-2395.

In the Nora Field Unit VCI-539482 (AN 77), 58.77 acres, the applicant controls 100% of the coal estate and 0.0% of the gas interests (Yellow Poplar Lumber Co, an unknown). The applicant seeks to pool 100% of the gas interests. Unleased gas acreage subject to pooling totals 58.77 net acres + / -. The petition includes provisions for the establishment of an escrow account for conflicting claims in **tract 1**. **The petition was approved by the Board.**

12. A petition from Equitable Production Company for **pooling of conventional gas unit V-502791**, Gladeville District, and Wise County, Virginia. Docket Number VGOB-08-1209-2396.

In the circular **112.69 acres conventional gas unit (V-502791)**, the applicant controls 93.97% of the gas interests. The applicant seeks to pool the remaining 6.03% of the gas interests. Unleased gas acreage subject to pooling totals 6.79 net acres + / -. The petition includes provisions for the establishment of an escrow account for an unknown claimant in **tract 4. The petition was approved by the Board.**

13. A petition from Equitable Production Company for **pooling of coalbed methane unit VC-537056**, Prater District, and Buchanan County, Virginia. Docket Number VGOB-08-1209-2397.

In the **Nora Field Unit VC-537056 (AK 70), 58.77 acres**, the applicant controls 100% of the coal estate and 29.08% of the gas interests. The applicant seeks to pool the remaining 70.92% of the gas interests (including Yellow Poplar). Unleased gas acreage subject to pooling totals 41.68 net acres + / -. The petition includes provisions for the establishment of an escrow account for unknown and conflicting claims in **tract 1. The petition was approved by the Board.**

14. A petition from Equitable Production Company for **pooling of coalbed methane unit VC-537053**, Prater District, and Buchanan County, Virginia. Docket Number VGOB-08-1209-2398.

In the **Nora Field Unit VC-537053 (AK 75), 58.71 acres**, the applicant controls 100% of the coal estate and 0.0% of the gas interests (Yellow Poplar). The applicant seeks to pool the remaining 100.0% of the gas interests (Yellow Poplar). Unleased gas acreage subject to pooling totals 58.71 net acres + / -. The petition includes provisions for the establishment of an escrow account for unknown and conflicting claims in **tract 1. The petition was approved by the Board.**

15. A petition from Equitable Production Company for a **well location exception for proposed well V-502791**, Gladeville District, and Wise County, Virginia. Docket Number VGOB-08-1209-2399.

In this petition, the applicant seeks a **location exception** for drilling conventional gas well **V-502791** in the 112.69 acre circular unit. The location of EPC proposed Well No. **V-50272** lies 2260 feet South East of proposed well V-502791. The exception is required because of the state wide spacing rule of 2,500 feet in § 45.1-361.17(A) (2). The applicant stated there would be no correlative rights issues with approval of this petition. **The petition was approved by the Board.**

16. A petition from Equitable Production Company for establishment of a **provisional drilling unit consisting of 320 acres** for the **drilling of horizontal conventional gas wells served by well VH-531132 (Units AV 24-25 and AW 24-25)**, Richmond District, and Wise County, Virginia. Docket Number VGOB-08-1209-2400.

Equitable Production Company seeks to establish a 320 acre Horizontal Drilling Unit identified for conventional gas well **VH-531132 in Roaring Fork units AV24, AV35, AW24 and AW25**. Equitable Production Company is the owner of the right to develop and

produce conventional gas in 100% of the subject lands underlying the unit and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. **The petition was approved by the Board.**

17. A petition from Equitable Production Company for **establishment of a provisional drilling unit consisting of 320 acres** for the drilling of horizontal conventional gas wells served by well **VH-531141** (Units AT 24-25, AU 24-25), Gladeville District, and Wise County, Virginia. Docket Number VGOB-08-1209-2401.

Equitable Production Company seeks to establish a 320 acre Horizontal Drilling Unit identified for conventional gas well **VH-531141 in the Roaring Fork units AT24, AT25, AU24 and AU25**. Equitable Production Company is the owner of the right to develop and produce conventional gas in 100% of the subject lands underlying the unit and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. Petition approved. Petition approved. **The petition was approved by the Board.**

18. A petition from Equitable Production Company for **establishment of a provisional drilling unit** consisting of 320 acres for the drilling of horizontal conventional gas wells served by well **VH-531130** (Units AZ 14-15, BA 14-15), Richmond District, and Wise County, Virginia. Docket Number VGOB-08-1209-2402.

Equitable Production Company seeks to establish a 320 acre Horizontal Drilling Unit identified for conventional gas well **VH-531130 in the Roaring Fork units AZ14, AZ15, BA14 and BA15**. Equitable Production Company is the owner of the right to develop and produce conventional gas in 100% of the subject lands underlying the unit and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. **The petition was approved by the Board.**

19. A petition from Equitable Production Company for **modification of the Nora Coalbed Gas Field Rules** to allow for drilling of an additional well in units BW30, BX-27-BX29, BY28, BY30, BZ25, BZ28-BZ30, Lipps District, and Wise County, Virginia. Docket Number VGOB-89-0126-0009-40.

The applicant seeks a modification of the **Nora Field Rules** to allow **one additional** coalbed gas well to be drilled within each of the 58.77 acre Nora Units Identified as: Units BW30, BX-27-BX29, BY28, BY30, BZ25, and BZ28-BZ30. **The petition was approved by the Board.**

20. A petition from Equitable Production Company for **modification of the Nora Coalbed Gas Field Rules** to allow for drilling of an additional well in units BM46, BM49-BM53, BN49-BN53, BO49, BO51-BO53, Ervinton District, and Dickenson County, Virginia. Docket

Number VGOB-89-0126-0009-41.

The applicant seeks a modification of the **Nora Field Rules** to allow **one additional** coalbed gas well to be drilled within each of the 58.77 acre Nora Units Identified as: Units BM46, BM49-BM53, BN49-BN53, BO49, and BO51-BO53. BM46, BM50, BM51, BM52, BN50, BN51, BO54 were previously approved as part of Copper Ridge in November. and have been removed from this application. A Revised Exhibit DD2 found in the package distributed at the Board should replace the exhibit submitted with the petition. **The petition was approved by the Board.**

21. A petition from Equitable Production Company **for modification of the Nora Coalbed Gas Field Rules** to allow for drilling of an additional well in units AT88, AT89, AU88, AU89, AV88, Hurricane District, and Buchanan County, Virginia. Docket Number VGOB-89-0126-0009-42.

The applicant seeks a modification of the **Nora Field Rules** to allow **one additional** coalbed gas well to be drilled within each of the 58.77 acre Nora Units Identified as: Units AT88, AT89, AU88, AU89, and AV88. **The petition was approved by the Board.**

22. A petition from Equitable Production Company for modification of the **Nora Coalbed Gas Field Rules** to allow for drilling of an additional well in units BI61 and BO56, Ervinton District, and Dickenson County, Virginia. Docket Number VGOB-89-0126-0009-43.

The applicant seeks a modification of the **Nora Field Rules** to allow **one additional** coalbed gas well to be drilled within each of the 58.77 acre Nora Units Identified as: Units BI61 and BO56. **The petition was approved by the Board.**

23. A petition from Equitable Production Company for **modification of the Nora Coalbed Gas Field Rules** to allow for drilling of an additional well in units BK81, BL80-BL82, BM80, BM81, BN82 in the Ervinton and New Garden Districts of Dickenson and Russell County, Virginia. Docket Number VGOB-89-0126-0009-44.

The applicant seeks a modification of the **Nora Field Rules** to allow **one additional** coalbed gas well to be drilled within each of the 58.77 acre Nora Units Identified as: Units BK81, BL80-BL82, BM80, BM81, and BN82. **The petition was withdrawn by applicant.**

24. A petition from Range Resources-Pine Mountain Inc. for **establishment of a provisional drilling unit consisting of 320 acres** for the drilling of horizontal conventional gas wells served by well S of 530133, Ervinton District, and Dickenson County, Virginia. Docket Number VGOB-08-1209-2403.

Range Resources-Pine Mountain Inc. seeks to establish a 320 acre Horizontal Drilling Unit identified for conventional gas as **Unit (Range 2403) served by well S of 530133**. Range Resources-Pine Mountain Inc. is the owner of the right to develop and produce conventional gas in 100% of the subject lands underlying the unit and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime,

Berea, Devonian Shale, and all zones in communication therewith. **The petition was approved by the Board.**

25. A petition from Range Resources-Pine Mountain Inc. for **establishment of a provisional drilling unit consisting of 320 acres** for the drilling of horizontal conventional gas wells served by well S of 101, Ervinton District, and Dickenson County, Virginia. Docket Number VGOB-08-1209-2404.

Range Resources-Pine Mountain Inc. seeks to establish a 320 acre Horizontal Drilling Unit identified for conventional gas as **Unit (Range 2404)**. Range Resources-Pine Mountain Inc. is the owner of the right to develop and produce conventional gas in 100% of the subject lands underlying the unit and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. **The petition was approved by the Board.**

26. A petition from Range Resources-Pine Mountain Inc. **for establishment of a provisional drilling unit consisting of 320 acres** for the drilling of horizontal conventional gas wells served by well E of 132, Ervinton District, and Dickenson County, Virginia. Docket Number VGOB-08-1209-2405.

Range Resources-Pine Mountain Inc. seeks to establish a 320 acre Horizontal Drilling Unit identified for conventional gas as **Unit (Range 2405)**. Range Resources-Pine Mountain Inc. is the owner of the right to develop and produce conventional gas in 100% of the subject lands underlying the unit and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. **The petition was approved by the Board.**

27. A petition from Range Resources-Pine Mountain Inc. for **establishment of a provisional drilling unit consisting of 320 acres** for the drilling of horizontal conventional gas wells served by well S of 530132, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-08-1209-2406.

Range Resources-Pine Mountain Inc. seeks to establish a 320 acre Horizontal Drilling Unit identified for conventional gas as **Unit (Range 2406)**. Range Resources-Pine Mountain Inc. is the owner of the right to develop and produce conventional gas in 100% of the subject lands underlying the unit and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. **The petition was approved by the Board.**

28. A petition from Range Resources-Pine Mountain Inc. for **establishment of a provisional drilling unit consisting of 320 acres** for the drilling of horizontal conventional gas wells served by well S of 95, Kenady District, Dickenson County, Virginia. Docket Number VGOB-08-1209-2407.

Range Resources-Pine Mountain Inc. seeks to establish a 320 acre Horizontal Drilling Unit identified for conventional gas as **Unit (Range 2407)**. Range Resources-Pine Mountain Inc. is the owner of the right to develop and produce conventional gas in 100% of the subject lands underlying the unit and seeks approval for exploration, development, and production of conventional natural gas from the pool defined as the top of the Mississippi-Devonian Age formations, including, but not limited to, the Weir, Big Lime, Berea, Devonian Shale, and all zones in communication therewith. **The petition was approved by the Board.**

29. A petition from Appalachian Energy, Inc. for **pooling of coalbed methane unit AE-211 (I-32)**, Garden District, Buchanan County, Virginia. Docket Number VGOB-08-1209-2408.

In the **AE-211 Unit (CBM I32)**, **80.15 acres**, the applicant controls 97.53% of the coal and gas interests. The applicant seeks to pool the remaining 2.47% of the coal and gas interests. Unleased gas acreage subject to pooling totals 1.98 net acres + / -. No escrow account will be required. This is the second well for this unit. **The petition was approved by the Board.**

30. A petition from Appalachian Energy, Inc. for **pooling of coalbed methane unit AE-197 and AE-198 (G-37)**, Garden District, Buchanan County, Virginia. Docket Number VGOB-08-1209-2409.

In the **AE-197 and AE-198 (G 37) Unit**, **80.15 acres**, the applicant controls 80.09% of the coal interests and 84.82% of the gas interests. The applicant seeks to pool the remaining 19.91% of the coal interests and 15.18% of the gas interests. Unleased gas acreage subject to pooling totals 15.96 net acres in the coal estates and 12.16 net acres in the gas estates. There are unknowns in this unit therefore the Board will need to establish an escrow account for **tracts 1 and 5**. **The petition was approved by the Board.**

31. The board **will hear correction of testimony addressing conflicting ownership claims from Appalachian Energy, Inc. for coalbed methane unit AE-232 (F100)**, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-08-0819-2312-01. The applicant corrected testimony adding an Exhibit E and asking that the Board establish an escrow account.

The petition was approved by the Board allowing the escrowing.

32. A petition from CNX Gas Company, LLC for **pooling of coalbed methane unit M-0**, Prater District, Buchanan County, Virginia. Docket Number VGOB-08-1209-2410.

In the **Oakwood Field M 0 Unit**, consisting of **80.00 acres**, the applicant controls 99.97% of the coal and gas interests. The applicant seeks to pool the remaining 0.30% of the coal and gas interests. Unleased gas acreage subject to pooling totals 2.4 net acres + / -. Applicant submitted a revised Exhibit A. No escrowing with the Board is required. **Petition approved.**

33. A petition from CNX Gas Company, LLC for **pooling of coalbed methane unit X-83**, Prater District, Buchanan County, Virginia. Docket Number VGOB-08-1209-2411.

In the Nora Coalbed Field X-83 (makeup unit) consisting of 59.58 acres, the applicant controls 99.99% of the coal and gas interests. The applicant seeks to pool the remaining 0.01% of the

coal and gas interests. Unleased gas acreage subject to pooling totals .9931 net acres + / -. Permit 3132 for CBM-L (-1) has been issued and the well drilled. Applicant submitted a revised Exhibit A. There is no escrow required by the Board in this matter. **The petition was approved by the Board.**

34. A petition from CNX Gas Company, LLC for **pooling of coalbed methane unit AW-92**, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-08-1209-2412.

In the **Nora Field AW-92 Unit**, consisting of **58.7 acres**, the applicant controls 98.89% of the coal and gas interests. The applicant seeks to pool the remaining 1.11% of the coal and gas interests. Unleased gas acreage subject to pooling totals 0.65 net acres + / -. Permit 9346 for CBM-AW92 has been issued and the well drilled. There is no escrow required by the Board. **The petition was approved by the Board.**

35. A petition from CNX Gas Company, LLC for **modification of the Middle Ridge 1 Field Rules** to allow for drilling of **an additional well** in units AV110-AV113, AW110-AW113, AX110-AX113, AY110-AY113, AZ110-AZ113, BA110-BA113, BB110-BB113, BC110-BC113, BD110-BD113, BE110-BE113, BF110-BF113, BG110toBG113, BH110-BH113, BI110-BI113, BJ110-BJ113 and BK110-BK113, Garden District, Russell County, Virginia. Docket Number VGOB-08-1017-0835-04.

The applicant seeks a modification of the **Middle Ridge 1 Field Rules** to allow **one additional** coalbed gas well to be drilled within **each of the 58.77 acre** Middle Ridge 1 Units Identified as: Units AV110-AV113, AW110-AW113, AX110-AX113, AY110-AY113, AZ110-AZ113, BA110-BA113, BB110-BB113, BC110-BC113, BD110-BD113, BE110-BE113, BF110-BF113, BG110toBG113, BH110-BH113, BI110-BI113, BJ110-BJ113 and BK110-BK113. A total of 3,727.03 acres + / - will be affected by this modification. **The petition was approved by the Board.**

36. A petition from Range Resources-Pine Mountain, Inc. for **a well location exception for proposed well V-530026**, Ervinton District, and Dickenson County, Virginia. Docket Number VGOB-08-1209-2413.

In this petition, the applicant seeks **a location exception** for drilling well **V-530026 in the 112.69 acre unit**. The location of EPC well **P-92 lies 2170** feet South-West of proposed well V-530026; and EPC **Well No. P-271 lies 2490** feet South-West of proposed well V-530026; and EPC **Well No. P-72 lies 1910** feet North-West of proposed well V-530026; and EPC **Well No. P-270 lies 1930** feet North-East of proposed well V-530026. The exception is required because of the state wide spacing rule of 2,500 feet in § 45.1-361.17(A)(2). **The petition was continued to January.**

37. A petition from Range Resources-Pine Mountain, Inc. for **a well location exception for proposed well V-530079**, Ervinton District, and Dickenson County, Virginia. Docket Number VGOB-08-1209-2414.

In this petition, the applicant seeks **a location exception** for drilling well **V-530079 in the 112.69 acre unit**. The location of EPC well **P-237 lies 2160** feet North-East of proposed well V-530079; and EPC **Well No. P-238 lies 2030** feet South-East of proposed well V-

530079. The exception is required because of the state wide spacing rule of 2,500 feet in § 45.1-361.17(A) (2). Exhibit AA distributed by the board. **The petition was approved by the Board.**

38. The Board on its own motion **will continue to review and discuss regulation changes (if any)** to the Virginia Administrative Code **4 VAC 25 – 160**. Acting Chairman Lambert asked for any comments to be submitted to Principle Executive David Asbury as soon as possible. Board members will be kept up-to-date with all comments received by the division office.
39. A draft Request for Proposal (RFP) for an audit of the Board's escrow account was prepared and proposed to the Board by Principle Executive to the Staff of the Board, David Asbury. Mr. Asbury asked the Board's approval to:
 - (1) Work with the State Office of General Services, finalize and publish the RFP.
 - (2) Negotiate terms with the top two Bidders, opened in public on Thursday February 5, 2009 with final recommendation and approval of one successful bid by the full Board on February 17, 2009

After deliberations, the Board granted approval of Mr. Asbury's requests.

39. The Board will hear public comments.

Thursday December 18, 2008.

- (1) Mr. Mark Swartz, Mr. James Kaiser and Mr. Jerry Grantham asked if they could submit public comments regarding Proposed Regulatory Changes under 4 VAC 25 -160 (Gas and Oil Board Regulations). Acting Chairman Lambert suggested their written comments be submitted to Mr. Asbury for compilation, distribution to and consideration by the Board.
- (2) Ms. Katherine Jewell appeared and provided handouts to the Board and made comments addressing the effect of gas wells on coal resources, a handout regarding historical lease language over time and a handout comparing pooling orders of 1989 to 2008.
- (3) Mr. Ronnie Osborne addressed the board about three contracts and wanted clarification. Mr. Osborne presented a four page lease and stated he had received the four pages and had signed the four page documents; however, the four pages had somehow resulted in the recording of a sixteen page document by CNX at the Buchanan County Courthouse. Mr. Osborne stated the sixteen page document had expanded terms that were not those terms he agreed to in the four page lease.
- (4) Patricia Stilwell, Power Of Attorney for Nancy Stilwell appeared before the Board concerning the O. H. Keen and Linkous Horn heirs. She discussed agreements relative to recent split agreements. She asked that the Board request Mark Swartz to bring in split agreements to confirm the accuracy. Asked that the Board rescind the permit/order on the SGU2, VGOB-08-1118-2367 because proper notice was not given Acting Chairman Lambert instructed Mr. Asbury to contact Ms. Stilwell and determine circumstances regarding this issue.

40. The Board will review and approve minutes of the November 18, 2008 hearings.

The minutes of the November hearings were approved by the Board.

The next hearing will be held on Tuesday, January 20, 2009 at the Southwest Virginia Higher Education Center, Abingdon, VA.

Information concerning the above docket items can be viewed from 8 a.m. to 5 p.m. Monday through Friday at the office of the Department of Mines, Minerals and Energy, Division of Gas and Oil, 230 Charwood Drive, Abingdon, Virginia. All questions concerning the agenda should be directed to the Division of Gas and Oil by telephoning 276-676-5423.

Special accommodations for the disabled will be made available at the hearing on request. Anyone needing special accommodations for the January hearing should contact the Department of Mines, Minerals and Energy, Division of Gas and Oil at 276-676-5423 or by calling the Virginia Relay Center TTY/TDD 1-800-828-1120 or 1140V by January 13, 2009.

The deadline for filing of petitions to the Board for the January 2009 hearing is 5 p.m. December 19, 2008 with **the hearing scheduled** for 9 a.m. on Tuesday, January 20, 2009 at the Southwest Virginia Higher Education Center, Abingdon, Virginia.